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Economic Prospects in the West

Economic prospects in the West can be summarized as follows:

- growth prospects for the market economies with large socialized sectors are generally poor
- those for the more purely market economies are good on the whole, but even here there are some problems

In contrast:

- growth prospects for the centrally planned economies are dismal

Much of the Western industrial world has suffered from several ailments over the past decade including higher oil prices, high inflation, reduced investment in plant and equipment, and government tax and regulatory policies which have discouraged risk-taking and hard work. In addition, the United States and Western Europe have come under increasing foreign competitive pressures. Only Japan among the industrialized countries has managed to retain a high level of dynamism.

Growth prospects for Western Europe in general have been impeded by extremely high tax rates (now nearly one-half of GNP versus only one-third ten years ago), high levels of social security payments and unemployment compensation, trade union rigidities, agricultural

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Page Denied

Next 3 Page(s) In Document Denied